

# Meridian Beartrack Co

*A wholly owned subsidiary of Meridian Gold Company*

4635 Longley LN STE-110-4A

Reno, NV 89502

(775) 200-4959



February 24, 2014

Via E-mail and U.S. Mail

Gene Davis and Sue McConnell  
California Regional Water Quality Control Board  
Central Valley Region  
11020 Sun Center Drive, #200  
Rancho Cordova, California 95670

**Re: Proposed Amendment to the Water Quality Control Plan to Provide a Regulatory Framework for the Closure of Mining Waste Management Units at the Royal Mountain King Mine Site, Calaveras County**

Dear Mr. Davis and Ms. McConnell:

I am the President and Chief Executive Officer of Meridian Beartrack Co (often referred to as Meridian Beartrack Company) and submit this letter to the Regional Water Quality Control Board for the Central Valley Region ("Regional Board") to respond to assertions by Victor Izzo, in his January 9, 2014 comment letter (misdated January 9, 2013), relating to the responsible parties for the Royal Mountain King Mine Site ("RMKM Site").

On page seven of his letter, Mr. Izzo asserts that Meridian Gold Company has "merged" into "Yamana Gold" and that "Yamana Gold" supposedly "retains liability coverage" for the RMKM Site and should be named on the RMKM Site Waste Discharge Requirements ("WDRs"). He includes a 2011 Form 40-F document with his comments to support these contentions. As explained below, Mr. Izzo's assertions are factually, financially and legally incorrect.

At the outset, I note that this contention is wholly irrelevant to this proceeding, which involves an amendment to the Basin Plan, not the issuance of WDRs or the evaluation of responsible parties for the RMKM Site. Nonetheless, Meridian Beartrack Company wants to correct the record immediately. The true facts are as follows:

1. On June 20, 1988, Meridian Beartrack Co was incorporated pursuant to the laws of the State of Montana under the name of Meridian Gold Company. I enclose as Exhibit "1" a true and correct copy of a Certificate of Fact signed by the Montana Secretary of State that confirms this incorporation.
2. On September 10, 1996, Meridian Beartrack Co filed an amendment to its Articles of Incorporation changing its name from Meridian Gold Company to Meridian Beartrack Co. This name change is also confirmed in Exhibit "1."
3. On July 14, 1989, Meridian Beartrack Co registered with the California Secretary of State as a foreign corporation and thereby became qualified to transact business in California. I

enclose as Exhibit "2" a Certificate of Status dated September 26, 2011 signed by the California Secretary of State that confirms these facts. I also enclose as Exhibit "3" a printout from the LexisNexis database, copyright 2013, regarding the California Secretary of State records that confirms that Meridian Beartrack Co. continues to be a foreign corporation in good standing in California.

4. Meridian Beartrack Co owned and operated a gold mine on the RMKM Site between 1989 and 1994.

5. There is a separate legal entity named Meridian Gold Company that is incorporated under the laws of Delaware. This corporation was incorporated under a prior name, but changed its name to Meridian Gold Company on July 29, 1996. These facts are confirmed in the Delaware Secretary of State Certificate enclosed as Exhibit "4."

6. As the corporate records identified above reflect, Meridian Beartrack Co and Meridian Gold Company have always been and continue to be separate legal entities, with the former incorporated in Montana and the latter incorporated in Delaware. Meridian Gold Company owns all of the shares of Meridian Beartrack Co.

7. Mr. Izzo is incorrect that Meridian Gold Company merged into Yamana Gold Inc. I understand that a wholly owned subsidiary of Yamana Gold Inc. purchased and then amalgamated with the publicly traded Canadian corporate parent of Meridian Gold Company in December 2007. At which time, the share ownership of Meridian Gold Company shifted from its original parent company to the subsidiary of Yamana Gold Inc. The Yamana Gold Inc. subsidiary company remains the parent of Meridian Gold Company. Meridian Gold Company continued its existence as a separate Delaware legal entity. It has never merged with Yamana Gold Inc.

8. Mr. Izzo appears to predicate his argument regarding this supposed merger on the basis of a Form 40-F Annual Report that Yamana Gold Inc. filed with the U.S. Securities and Exchange Commission for the 2011 calendar year. I enclose herewith as Exhibit "5" a letter signed by Betty Soares, the Vice President, Corporate Controller and Chief Accounting Officer of Yamana Gold Inc. which explains why this reference does not indicate that any "merger" occurred between Meridian Gold Company and Yamana Gold Inc.

9. Mr. Izzo is also incorrect that Yamana Gold Inc. "retains the liability coverage" for the RMKM Site. Meridian Beartrack Co holds the \$3.302 million letter of credit for the RMKM Site, which is issued in the name of Meridian Beartrack Co. I enclose as Exhibit "6" a copy of the original financial assurance for the site issued by Bank of America, N.A. Since this financial assurance has not been cancelled pursuant to its terms, it continues to be in effect to this day.

Meridian Beartrack Co has always met, and intends to continue meeting, its financial and regulatory obligations for all business activity in California and elsewhere. Please let me know if I need provide you with any further information regarding these topics.

Sincerely,



Adam D. Whitman

**SECRETARY OF STATE**  
**STATE OF MONTANA**  
**CERTIFICATE OF FACT**

I, **LINDA McCULLOCH**, Secretary of State of the State of Montana, do hereby certify that on **JUNE 20, 1988**, **MERIDIAN GOLD COMPANY** was incorporated under the laws of the State of Montana and received its Certificate of Incorporation for a term of perpetual duration.

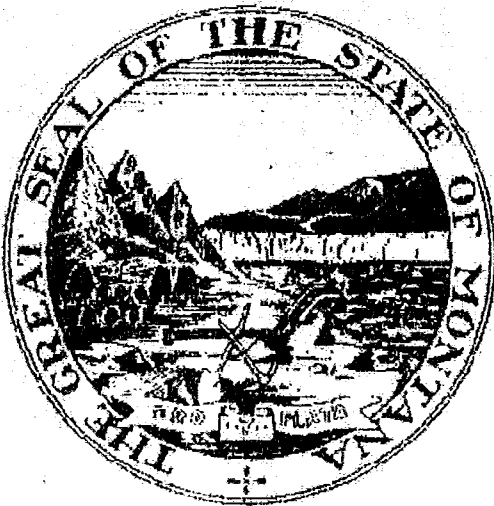
I further certify that on **SEPTEMBER 10, 1996**, **MERIDIAN GOLD COMPANY** filed an amendment to the Articles of Incorporation changing the name of the corporation to **MERIDIAN BEARTRACK CO.**

I further certify that the last corporate annual report filed by the corporation was the **2011** report filed in this office on **JANUARY 11, 2011**.

I further certify that the registered agent for the corporation as listed on the **2011** annual report is **NATIONAL REGISTERED AGENTS INC, 26 W SIXTH AVE, PO BOX 1691, HELENA, 59624-1691**.

I further certify that the officers and directors of the corporation as listed on the **2011** annual report are: **ADAM D WHITMAN (PRESIDENT, DIRECTOR), DARCY E MARUD (VICE PRESIDENT, SECRETARY, DIRECTOR), 4635 LONGLEY LANE, STE 110, 4A, RENO, NV 89511, JASON LEBLANC (VICE PRESIDENT, TREASURER, DIRECTOR), 150 YORK STREET, SUITE 1102, TORONTO, ON M5H 3S5, CANADA.**

I further certify that the corporation has filed all required reports with this office and that no notice or decree of dissolution has been filed with this office and it is in good standing.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Montana, at Helena, the Capital, this **August 29, 2011**.

*Linda McCulloch*

**LINDA McCULLOCH**  
Secretary of State

Certified File Number: **D066324**

**State of California**  
**Secretary of State**

CERTIFICATE OF STATUS

ENTITY NAME:

MERIDIAN BEARTRACK CO.

FILE NUMBER: C1645515  
REGISTRATION DATE: 07/14/1989  
TYPE: FOREIGN CORPORATION  
JURISDICTION: MONTANA  
STATUS: ACTIVE (GOOD STANDING)

I, DEBRA BOWEN, Secretary of State of the State of California,  
hereby certify:

The records of this office indicate the entity is qualified to  
transact intrastate business in the State of California.

No information is available from this office regarding the financial  
condition, business activities or practices of the entity.



IN WITNESS WHEREOF, I execute this certificate  
and affix the Great Seal of the State of  
California this day of September 26, 2011.

*Debra Bowen*

DEBRA BOWEN  
Secretary of State

1 OF 1 RECORD(S)

## California Secretary of State

### Corporate Filing

#### Business Information

**Filing Number:** C1645515  
**Name:** MERIDIAN BEARTRACK CO.  
**Name Type:** LEGAL  
**STANDARD MAILING Address:** 4635 LONGLEY LN STE 110  
RENO, NV 89502-5976  
**ORIGINAL MAILING Address:** 4635 LONGLEY LANE  
BUILDING 110, UNIT 4A  
RENO  
NV  
89502  
**Business Type:** CORPORATION  
**Filing Type:** STATEMENT & DESIGNATION BY FOREIGN CORPORATION  
**Status:** ACTIVE  
**Foreign State of Incorporation:** MONTANA  
**Foreign/Domestic:** FOREIGN  
**Foreign Incorporation Date:** 07/14/1989  
**For Profit:** YES  
**Tax Program:** NOT SUSPENDED (GOOD STANDING)

#### Registered Agent

**Name:** NATIONAL REGISTERED AGENTS, INC.  
**Title:** REGISTERED AGENT  
**Registered Agent Address Type:** MAILING  
**Registered Agent Address:** 818 W 7TH ST  
LOS ANGELES, CA 90017-3407

### Stock Information

#### Stock

**Additional Information:** STOCK

### Officers

**Name:** WHITMAN, ADAM  
**Title:** PRESIDENT  
**Contact Type:** OFFICER  
**Standard Address:** Type: CONTACT  
4635 LONGLEY LN STE 110  
RENO, NV 89502-5976  
**Original Address:** 89502  
4635 LONGLEY LANE  
NV  
BUILDING 110, UNIT 4A  
RENO

### Historical Contacts

**Name:** SMITH, EDGAR A  
**Title:** PRESIDENT  
**Contact Type:** OFFICER

## Historical Contacts

Standard Address: Type:CONTACT  
 9670 GATEWAY DR STE 200  
 RENO, NV 89521-3952

Original Address: 89511  
 9670 GATEWAY DR STE 200  
 NV  
 RENO

## Filing History

Filing Date: 08/01/2012  
 Filing Type: FILING  
 Ref No: EN10504  
 Description: STATEMENT OF OFFICERS

Filing Date: 09/26/2011  
 Filing Type: FILING  
 Ref No: A0719562  
 Description: FILING OFFICE STATEMENT;PAGE COUNT: 01

Filing Date: 09/26/2011  
 Filing Type: FILING  
 Ref No: A0719562  
 Description: CERTIFICATE OF AMENDMENT;FOS; PAGE COUNT: 01

Filing Date: 09/15/2011  
 Filing Type: FILING  
 Ref No: EG70623  
 Description: STATEMENT OF OFFICERS

Filing Date: 09/19/2005  
 Filing Type: FILING  
 Corp No.: C1645515  
 Description: AMENDED STATEMENT AND DESIGNATION BY FOREIGN CORPORATION;NAME CHANGE FROM: MERIDIAN GOLD COMPANY

Filing Date: 09/19/2005  
 Filing Type: FILING  
 Ref No: A0635029  
 Corp No.: C1645515  
 Description: AMENDED STATEMENT AND DESIGNATION BY FOREIGN CORPORATION;NAME CHANGE FROM:MERIDIAN GOLD COMPANY; PAGE COUNT: 02

Filing Date: 12/09/1999  
 Filing Type: FILING  
 Description: SECRETARY OF STATE REVIVER

Filing Date: 03/17/1997  
 Filing Type: FILING  
 Description: SECRETARY OF STATE FORFEITURE

Filing Type: FILING  
 Ref No: 0710659  
 Description: STATEMENT OF OFFICERS

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Your DPPA Permissible Use is: I have no permissible use  
Your GLBA Permissible Use is: I have no permissible use

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# Delaware

PAGE 1

*The First State*

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THAT THE SAID "FMC NEVADA COMPANY" FILED A CERTIFICATE OF AMENDMENT, CHANGING ITS NAME TO "FMC GOLD COMPANY", ON THE FIFTEENTH DAY OF MAY, A.D. 1987, AT 10:01 O'CLOCK A.M.

AND I DO HEREBY FURTHER CERTIFY THE SAID "FMC GOLD COMPANY" FILED A CERTIFICATE OF MERGER, CHANGING ITS NAME TO "MERIDIAN GOLD COMPANY", ON THE TWENTY-NINTH DAY OF JULY, A.D. 1996, AT 9 O'CLOCK A.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF MERGER IS THE THIRTY-FIRST DAY OF JULY, A.D. 1996.


AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "MERIDIAN GOLD COMPANY", IS THE LAST KNOWN TITLE OF RECORD OF THE AFORESAID CORPORATION.

2125090 8321

131387550

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)



  
Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION: 0970056

DATE: 12-11-13

**EXHIBIT 4**



# YAMANA**GOLD**

Betty Soares  
Vice President, Corporate Controller and  
Chief Accounting Officer  
Direct Line: (416) 945-7356  
Main Line: (416) 815-0220  
Fax: (416) 815-0021  
E-mail: [bsoares@yamana.com](mailto:bsoares@yamana.com)

February 20, 2014

***Via Courier***

Adam D. Whitman  
President and Chief Executive Officer  
Meridian Beartrack Company  
4635 Longley Lane  
Building 110, Suite 4A  
Reno, Nevada 89502

**Attention: Mr. Adam D. Whitman**

Dear Adam:

**Re: Yamana Gold Inc. Form 40-F Annual Report (Fiscal Year Ended 12/31/11)**

We reference the audited consolidated financial statements of Yamana Gold Inc. and its subsidiaries for the years ended December 31, 2011 and 2010, which are attached as Exhibit 99.3 to the Yamana Gold Inc. Form 40-F Annual Report filed with the U.S. Securities and Exchange Commission (the "2011 Financial Statements"). We understand that a question has been raised regarding those Statements.

In Note 9 of the 2011 Financial Statements, entitled "Other Financial Assets" (page 25), there is balance on the line titled "Restricted Cash" in the amount of \$220,000. We understand that a written comment has been filed in connection with a California administrative proceeding relating to the Royal Mountain King mine asserting that this entry demonstrates that Meridian Gold Company (a Delaware corporation) "merged into" Yamana Gold Inc. and that Yamana Gold Inc. "now retains the liability coverage" for the Royal Mountain King site. Neither contention is accurate for the reasons set forth below.

First, the nature of Yamana Gold Inc.'s operations are disclosed in Note 1 to the 2011 Financial Statements. And, as disclosed in Note 2(c), and in accordance with International Accounting Standard 27 "Consolidated and Separate Financial Statements" effective for the 2011 fiscal year, these are "consolidated" financial statements that include Yamana Gold Inc. and all of its subsidiaries. These subsidiaries

**Yamana Gold Inc.** Royal Bank Plaza, North Tower, 200 Bay Street, Suite 2200, Toronto, ON, Canada M5J 2J3  
Tel: (416) 815-0220 Fax: (416) 815-0021 [www.yamana.com](http://www.yamana.com)

# YAMANA GOLD

were formed and exist as separate legal entities whose shares are fully or partially owned either directly, by Yamana Gold Inc., or indirectly by one of its subsidiaries. Meridian Gold Company is a separate legal corporation incorporated in Delaware. Thus, its inclusion in the consolidated financial statements and related footnotes does not indicate in any manner that it merged into Yamana Gold Inc. or that it has lost its separate corporate legal status.

Second, the listing of the restricted cash relating to the Royal Mountain King mine is not intended to, and does not actually, signify that liability coverage for this site has somehow been transferred to Yamana Gold Inc. Since the assets of subsidiaries such as Meridian Beartrack Co. and Meridian Gold Company must be included in a consolidated balance sheet that includes all subsidiaries of Yamana Gold Inc., this restricted cash appears as part of "Other Financial Assets" as detailed in Note 9. However, this listing on a consolidated balance sheet does not indicate that the underlying reclamation liability has been transferred from Meridian Beartrack Co. to Yamana Gold Inc.

I understand that you will be including this letter as part of a comment package that you are submitting to the California Regional Water Quality Control Board for the Central Valley Region. Please let me know if we can provide any further information relating to this question.

Yours truly,



Betty Soares  
Vice President, Corporate Controller and  
Chief Accounting Officer

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 3051489

BENEFICIARY

COUNTY OF CALAVERAS DEPARTMENT OF  
CONSERVATION, OFFICE OF MINE  
RECLAMATION GOVERNMENT CENTER  
891 MT. RANCH ROAD

SAN ANDREAS, CA 95249

AND

CALIFORNIA REGIONAL WATER QUALITY  
CONTROL BOARD

3443 ROUTIER ROAD, SUITE A  
SACRAMENTO, CA 95827-3098

APPLICANT

MERIDIAN BEARTRACK CO.  
9670 GATEWAY DRIVE, SUITE 200  
RENO, NV 89511-3952

AMOUNT

NOT EXCEEDING USD 3,302,000.00  
NOT EXCEEDING THREE MILLION THREE  
HUNDRED TWO THOUSAND AND 00/100'S US  
DOLLARS

EXPIRATION

OCTOBER 31, 2003 AT OUR COUNTERS

BANK OF AMERICA, N.A. HAS ESTABLISHED AN IRREVOCABLE LETTER OF CREDIT IN YOUR FAVOR AT THE REQUEST OF AND FOR THE ACCOUNT OF MERIDIAN BEARTRACK CO. FOR THE ROYAL MOUNTAIN KING (MINE), TO THE EXTENT OF THREE MILLION THREE HUNDRED TWO THOUSAND AND 00/100'S U.S. DOLLARS \$3,302,000.00 TO SECURE THE BID, PAYMENT, OR PERFORMANCE ON CONTRACT, MINERAL OPERATING PLAN, PERMIT, LICENSE OR SPECIAL-USE AUTHORIZATION NO. 87-03.

SAID FUNDS ARE AVAILABLE BY PRESENTATION OF YOUR SIGHT DRAFT(S) WHICH CLEARLY SPECIFY THE NUMBER OF THIS CREDIT AND ARE DRAWN IN FAVOR OF THE COUNTY OF CALAVERAS DEPARTMENT OF CONSERVATION AND THE CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD FOR THE SECURED OBLIGATION CITED ABOVE.

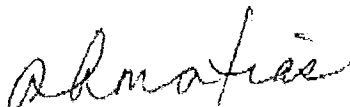
DRAFT(S) DRAWN IN CONFORMITY WITH THE CONDITIONS OF THIS CREDIT WILL BE HONORED BY US IF PRESENTED AT BANK OF AMERICA, N.A. 333 SOUTH BEAUDRY AVE. 19TH FLOOR LOS ANGELES, CALIFORNIA 90017 MAILCODE CA9-703-19-23 ATTN: STANDBY LETTER OF CREDIT DEPT. ON OR BEFORE OCTOBER 31, 2003. THIS LETTER OF CREDIT WILL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR PERIODS OF ONE YEAR FROM THE THEN RELEVANT EXPIRY DATE UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO THAT RELEVANT EXPIRY DATE WE NOTIFY YOU IN WRITING, BY CERTIFIED MAIL OR COURIER, THAT WE ELECT NOT TO EXTEND THIS LOC. UPON RECEIPT OF SUCH NOTICE, YOU MAY IMMEDIATELY DRAW UPON THIS LOC BY MEANS OF YOUR SIGHT DRAFT AND REFERENCING OUR LETTER OF CREDIT NUMBER.

THE DEPOSITS OF BANK OF AMERICA, N.A. ARE INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION.

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: 3051489

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE  
FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF  
COMMERCE PUBLICATION NO. 500.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS  
TRANSACTION, PLEASE CALL 213-345-0097.



-----  
AUTHORIZED SIGNATURE

ANNIE H. MATIAS



-----  
AUTHORIZED SIGNATURE

LAWRENCE BANALES